



**CITY OF CARLSBAD
AGRICULTURAL CONVERSION MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

Meeting Agenda

**Monday, November 17, 2008
Faraday Center, Room 173B
1635 Faraday Avenue, Carlsbad, CA
1:00pm - 3:00pm**

1. Call To Order
2. Approval of September 2, 2008 Minutes
3. Committee Discussion on Projects Receiving Recent Agricultural Conversion Mitigation Fund Disbursement
4. Committee Discussion on Awarded Grant AGP 06-10 (Carlsbad Beach Nourishment)
5. Committee Discussion on Awarded Grant AGP 06-12 (Batiquitos Lagoon Monitoring/Management Plan)
6. Committee Discussion on Awarded Grant AGP 06-16 (La Posada Farmworker Housing)
7. Committee Discussion on Process for Establishing Time Limits on Disbursement of Approved Grant Awards
8. Committee Discussion on Available Funding and Potential Grant Solicitations
9. Public Comment
10. Potential Future Meeting Dates
11. Adjourn

AGRICULTURAL CONVERSION MITIGATION FEE AD HOC CITIZENS' ADVISORY COMMITTEE MEETING MINUTES

**September 2, 2008
1635 Faraday Avenue
Carlsbad, CA 92008
Room 173A**

ITEM 1: CALL TO ORDER

Vice-Chairperson, Eric Larson called the meeting to order at 1:10 p.m., and welcomed Jackie Stone as a new Committee Member.

Committee Members Present: Irv Rosten-Retired, Julie Baker-Planning Commission Representative, Richard Erhardt-Chairperson of the Beach Preservation Committee, Eric Larson-Chairperson/Executive Director of the San Diego County Farm Bureau, Ken Alfrey-Board Member of the Agua Hedionda Lagoon Foundation and Hope Wrisley-Community Leader, and Jackie Stone-League of Women Voters

Staff Members Present: Scott Donnell, Senior Planner
Kevin Pointer, Associate Planner

ITEM 2: ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON

Motion to elect Eric Larson as Chairperson of the Agricultural Conversion Committee (following the earlier resignation of Chairperson Julie Nygaard in accordance with her taking office as a member of the City Council) was made by Ms. Wrisley and seconded by Ms. Baker. Motion to elect Julie Baker as Vice-Chairperson was made by Irv Rosten and seconded by Eric Larson. By consensus, Eric Larson was elected Chairperson of the Committee and Julie Baker was elected Vice-Chairperson.

ITEM 3: APPROVAL OF JUNE 6, 2007 MINUTES

Referring to Page 10, Section 7, Line 12, Chairperson Larson, corrected the minutes by stating the word "All" should be replaced with the word "most" and should read as follows: "Most farms are on leased lands in Carlsbad."

Motion: Motion made by Ms. Wrisley and seconded by Ms. Baker to accept the Minutes of the meeting of June 6, 2007. By consensus, the minutes were approved as revised.

ITEM 4: HISTORY OF COMMITTEE BACKGROUND AND OPERATING PROCEDURES

Associate Planner Kevin Pointer made reference to the report in this meeting's agenda packet and presented a brief slide show. Mr. Pointer briefly reviewed the earlier history of agricultural conversion mitigation. Following the state's administration of the conversion and mitigation program, the City took over the administration of that program for Carlsbad. The present committee was established in 2004, by the City Council, as a mechanism to gain more knowledge and understanding of how to implement the program and disperse the funds that had already been collected by the state and by the City. In 2006, the City Council adopted a program establishing regulations and procedures that would carry the

committee forward in soliciting grant proposals to recommend disbursement of those funds to projects that would in return mitigate the conversion of agricultural land to urban uses.

Ms. Wrisley pointed out that the committee was originally established with a four (4) year life and asked if there is a provision for extending the life of the committee.

Mr. Pointer replied there is a provision for extending the committee's life. In 2005 the committee was created for a four (4) year term and that term lapses on August 2, 2009. If, by that time, the committee has not carried out its full mandate and the City Council otherwise chooses to re-establish the life term of the committee, they would have the opportunity of doing that before the "sunset" date of the committee. As part of the City Council's mandate, the charge of the committee was to make recommendations to expend the money that has been collected from the agricultural mitigation conversion fees, in keeping with the criteria and regulations established by Section 21.202.060 of the Municipal Code, which establishes the Agricultural Conversion Mitigation Program.

DISCUSSION:

Chairperson Larson asked for questions or discussion. Hearing none, Mr. Larson stated that the committee had been using a facilitator up to this point and wondered if there were any comments or concerns regarding the resumption of using a facilitator. He added that he feels that a facilitator is no longer needed and he would like to save the expense of a facilitator.

Ms. Wrisley said she would like the committee to reserve the right to have a facilitator, at a later date, if necessary.

Chairperson Larson asked if the committee agreed with Ms. Wrisley to which all members agreed.

Mr. Pointer stated that part of the City Council's mandate, Committee procedures establish that the chairperson is to lead the meetings while a facilitator would lead the discussions. Facilitator participation is not absolutely necessary at all meetings but if at some time in the future when the committee might consider grant proposals, staff would certainly encourage use of a facilitator.

ITEM 5: REPORT AND COMMITTEE DISCUSSION ON STATUS OF PROJECTS AWARDED WITH GRANT FUNDING

Mr. Pointer reported that of the sixteen (16) grant proposals that were submitted to the City, thirteen (13) were approved for an approximate total of \$6.5 million by the City Council in accordance with the Committee's recommendations. To date, four (4) of those projects have been fully funded and have been or are in the process of being fully constructed. Five (5) of the thirteen (13) authorized grants have received partial funding and the remaining four (4) have not yet received any funds. Updates on the progress of those funded projects can be found in this meeting's agenda packet and have been provided by individual project applicants. As of the time of the printing of the agenda packet however, a report from the Audubon Nature Center had not been received regarding the improvements to their Learning Center. However, a copy of a letter from the Audubon Nature Center, received on the date of the meeting, was distributed to each of the committee members and was made available at the meeting for public distribution. This letter indicated the status update of their Audubon Nature Center project. Staff believes that the implementation and awards are taking place very appropriately and encourages all of the award recipients who have not yet received the money, to move forward with the utmost success.

DISCUSSION:

Ms. Baker stated she understood there is a possibility that some of the recipients are now not sure they will be going forward with their projects and asked Mr. Pointer to explain.

Mr. Pointer replied that a letter had been received from Catholic Charities stating that the original grant of \$108,000 has been set aside for preliminary project development planning as well as for permit fees.

Mr. Pointer then deferred to the applicant's representative present in the audience to address additional questions regarding the intentions of the Catholic Charities applicant.

Ms. Baker asked if there is or will be a time limit placed on the applicant's project regarding completion.

Mr. Pointer replied that he knows of no such time limit.

Chairman Larson stated that he didn't recall setting any time limits.

Ms. Baker suggested there should be a discussion, on a future agenda, to determine if there should be time limits applied to the grant projects and if so, how long should the limits be.

Sister RayMonda DuVall, representing Catholic Charities stated that the delay in implementation all has to do with operational funds. Catholic Charities believes that they would be able to build the project with the City funds and perhaps an augmentation of those funds. What are not available, however, are operational funds. Since submittal of the original project application, operational costs have already increased by \$30,000. Catholic Charities would like to brainstorm or provide other suggestions for the committee to consider, but it would put aside the original proposal and modify that proposal to one that Catholic Charities can afford to operate given the various sources that have been committed towards funding the project. Catholic Charities believes that they are the best to construct a project and operate a project; however, they do not want to lead the City or agency into a hole.

Ms. Wisley asked if La Posada is in any danger of not being able to operate due to lack of funds.

Sister RayMonda responded that Catholic Charities allocates \$100,000 every year towards La Posada. The Board of Directors for Catholic Charities has committed to funding this amount to La Posada annually; however, they would like the Catholic Charities portion of funding for La Posada to not exceed this amount. Sister RayMonda responded that La Posada is not in danger of being unable to operate.

Irv Rosten asked whether the resident population has increased or decreased since the last time the Committee met.

Eddie Preciado indicated that the resident population at La Posada has increased. La Posada has seen the homeless population increase to approximately 25 persons because of their work with other cities in North County in the past eight months.

Irv Rosten then asked if the majority of increase has been farmworkers. Eddie Preciado indicated that before he left for vacation that there were at least 13 farmworkers and at least 8 non-farmworkers. He speculated that are likely more farmworkers now.

Ken Alfrey asked Sister RayMonda and Eddie Preciado if they are suggesting that the already approved \$100,000 for the design, be placed back in the fund and further asked whether they felt the committee should consider another grant application from La Posada.

Sister RayMonda clarified that she intended to convey neither. She explained what she wanted to say was that she believed the design was submitted for which the \$100,000 was to approve the design and do the permitting was not an affordable plan in the best scenario for the City or for Catholic Charities. She then suggested that they come back to the committee with a different plan that is much more modest, that is probably much more attainable in terms of operations and that fund ought to be available so that the City has an opportunity to review something. Also, at that time, the committee could make a decision on it and if appropriate, to issue the permit. She also stated that she thinks Catholic Charities and the City need to "go back to the drawing board" and come back with something that will meet the needs, and meet the state requirements for that funding but also will be operational for the next twenty (20) years. Sister RayMonda also pointed out that the new plan would be much more adaptable to any changes in their services as time passes. For example, if in ten years, the need is no longer there for farmworker housing, then perhaps the project could be converted based on another need, such as family housing. She expressed how much Catholic Charities likes the current design but the reality of it is that they could afford to build it but they would not be able to operate it.

In response to a question from Chairperson Larson about the original design, Sister RayMonda replied that the low rents paid by farmworkers and others would not come close to totaling enough to cover the expenses.

Chairman Larson asked Sister RayMonda what time frame the committee could expect results if the committee is amenable to having an alternative project brought forward, to which she replied, "two months".

Chairperson Larson asked if there were any other questions for Sister RayMonda or any other projects or project proponents.

Ms. Baker queried the e-mail received from Mr. Munoz of the Agua Hedionda Lagoon Foundation and asked if there was any more information on the request to leverage additional funds.

Nikki Weaver, representing the Agua Hedionda Lagoon Foundation as the Discovery Center Director, addressed the committee. She indicated that the Agua Hedionda Lagoon Foundation is troubled with the difficulty to acquire additional acreage of approximately 5-7 acres surrounding their property. She indicated that there is difficulty coordinating among various agencies regarding regulations applicable to the land.

Ms. Baker asked if there was a time frame regarding anticipated resolution of the issues. Ms. Weaver's response was approximately 10 months. Ms. Weaver indicated that although not all of the issues have been resolved, they may begin to use some of the funding immediately.

Chairperson Larson asked if there was anyone present from staff who could speak to the sand replenishment Project.

Mr. Pointer pointed out that there was no one present from the Engineering Department to respond.

Chairperson Larson pointed out that the budget for that project actually changed since the Committee made a recommendation for a "Carlsbad Only" project and now money from the agricultural conversion mitigation fund is being folded into a SANDAG project. He said he wants a re-confirmation, to the committee, that this makes sense and also a statement of the City's rationale for moving in that direction.

Mr. Pointer replied that it is his understanding that the City Council looked at re-evaluating and modifying the original recommendation of the committee. Council decided that with the region-wide beach sand replenishment program that is currently being conducted by SANDAG that the same benefits could be attained in terms of the amount of sand on the beach. But those benefits could be obtained through using a little less money generated from the City of Carlsbad that the City had originally earmarked and encumbered for the "Beach Only" project. Also, it is Mr. Pointer's understanding that the SANDAG project is on track for a 2011 completion.

ITEM 6: RECEIVE REPORT AND COMMITTEE DISCUSSION ON FUND BALANCE, FUND AUGMENTATION, LAND CONVERSIONS AND FUND PROJECTIONS

Mr. Pointer stated as follows: This item discusses the amount of funding non-encumbered and available for funding of potential future grant solicitations or grant projects. The current amount of money within the actual fund is approximately \$5.9 million. Of that money, however, City Council has encumbered about \$5.2 million. Some of that money will be disbursed to the applicants of projects that have already received grant awards. In the meantime the City is retaining those funds which are accruing interest. Over the past year the City acquired approximately \$280,000 in interest income so there is a continuing increase in the dollars in the fund. The City, overall, has collected the majority of the money that will contribute to the program. The coastal agricultural lands that are within the City (whether previously converted or not), are approximately 900 acres. About 77% of those lands have already been developed and converted to urban uses. They have, essentially, paid the mitigation fees or mitigated

the conversion in some other way. To date, all of the developers have paid the mitigation fees. The remaining 23% of the lands are still available for conversion to urban uses. However, staff does not foresee that all of that land will eventually convert to urban uses. Those lands may be preserved for other uses, require a permanent preservation for habitat, or may remain undeveloped for other reasons. An example of this is urban planning regulations that would preclude a developer from fully developing 100% of their entire property. The maximum fee projection is \$1.7 to \$2.2 million dollars depending on how much of those lands can or will be converted to urban uses. Right now there are about \$700,000 left in the grant account that is currently un-encumbered but has potential to be distributed for additional grant projects.

Ms. Wrisley questioned whether the City has already received mitigation funding for the Robertson Ranch, Cantarini and Holly Springs projects

Scott Donnell responded that the City has not and will not receive funds from these projects because they are not part of the program due to their location.

Mr. Pointer clarified that projects such as the Encina Auto Plaza will be going forward to the Planning Commission in the near future and has the capability to contribute approximately \$250,000 towards the fund. Mr. Pointer clarified that the purpose of conveying available un-encumbered balance in the fund (about \$700,000) is to allow the committee to consider the potential and capacity for funding additional grant projects. Mr. Pointer continued through the presentation of a powerpoint slideshow depicting maps showing properties that are subject to the program, as well as a map showing projects that have been funded through the program.

A member of the audience, Mat Huff, questioned whether these maps were/are available on the City's website. Mr. Donnell and Mr. Pointer indicated that the information is available in the agenda packet which is posted to the City's website.

ITEM 7: RECEIVE REPORT AND COMMITTEE DISCUSSION ON AVAILABLE FUNDING AND POTENTIAL GRANT SOLICITATIONS

Chairperson Larson asked for committee comments regarding the \$700,000 on hand and also discussion regarding Catholic Charities' request for additional time to bring in a revised project.

Ms. Wrisley stated she would like to see their time extended to two (2) to twelve (12) months but for no longer than that.

Chairman Larson reminded the committee that part of the committee's charter is that they meet a minimum of twice a year and because this meeting is the first to be held in 2008, they will have to plan to meet again before year's end, which will work out well with Catholic Charities proposed two (2) month extension.

Ms. Baker suggested the committee wait for a time before they do any more grant funding. She said it might be useful to know whether the projects they've already funded have come to fruition and if they've been beneficial. She stated they could possibly learn something from and would be helpful in determining whether they've been on the right track or whether they should be going in a different direction.

Ms. Wrisley made a statement in response to Ms. Baker indicating that with the Encina Auto Plaza, they could have additional funds, which may make it better to fund with a bigger sum of money than to disburse smaller amounts of money over time.

Mr Alfrey agreed with Ms. Baker and Ms. Wrisley in that the committee has distributed almost 80% of the funds and the committee should give those projects time to develop and gather feedback on them before the committee recommends funding other projects.

By consensus, the committee will meet again before the end of 2008 if there is an agreement that the committee will give Catholic Charities an opportunity revise their project and subsequently return to the committee. This will also give the committee a chance to evaluate the projects they have already funded.

PUBLIC COMMENT:

Chris Calkins representing the Carlsbad Flower Fields presented a cymbidium that the committee funded through award of grant funding. He urged the committee not to defer for too long, and encouraged the committee to consider soliciting additional grants. He mentioned that the Carlsbad Flower Fields has a project. He mentioned problems affecting agriculture such as the water crisis at the state and our county levels in particular. Mr. Calkins is aware of the significant benefits of remaining agriculture. He urged grant funding for a Carlsbad Flower Fields project that would make better use of potable and recycled water without treatment that would help them avoid salt build-up. Jackie Stone asked if Mr. Calkins had done experimenting with using any desalinated water. He indicated that the desalinated water would be blended in and wouldn't be detrimental.

Andy Mauro, representing Audubon Society watershed project, expressed the Society's appreciation for the funding they received from this committee. He indicated that they are considering a project for which they would like to obtain funding assistance. This project is the Buena Vista Creek Watershed Management Plan.

ITEM 8: POTENTIAL FUTURE MEETING DATES

By consensus, the committee agreed to meet again on November 17, 2008 at 1:00 p.m.

Chairperson Larson clarified that in deference to comments heard at the meeting, subsequent meetings are to contain an item to discuss additional grant solicitation.

ITEM 10: ADJOURNMENT

Chairman Larson adjourned the meeting at 1:45 p.m.

RESPECTFULLY SUBMITTED:

Carol A. Cruise, Minutes Clerk



**CITY OF CARLSBAD
AGRICULTURAL COVNERSON MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

**Subject: Report to Committee on Projects Receiving Recent
Agricultural Conversion Mitigation Fund Disbursement**

Meeting Date: November 17, 2008

At the September 2, 2008 Agricultural Conversion Mitigation Fee Committee meeting, staff reported to the Committee on the status of projects awarded with grant funding. As an update to the September 2, 2008 report, staff notes that since that date an additional grant recipient requested and received partial funding originally encumbered. Of the \$164,000 awarded to Buena Vista Lagoon Foundation for AGP 06-04 (Buena Vista Lagoon Boardwalk), staff disbursed \$68,000 from the Agricultural Conversion Mitigation Fund to finance phase 1 of the project which primarily funds concept design formulation. Pursuant to the Letter of Agreement entered into between the grantee and the City, phase 1 tasks are expected to be completed by January 31, 2009.

As an update to the September 2, 2008 report, staff further notes that of the thirteen (13) projects approved for grant funding:

- Four (4) projects have received full disbursement of funding for project implementation.
- Six (6) projects have received partial disbursement of funding for project implementation.
- Three (3) projects have yet to receive disbursement of funding for project implementation.

A revised/detailed encumbrance/disbursement breakdown has been attached to this report as Exhibit 1 to summarize encumbrance and disbursement balances for awarded agricultural conversion mitigation grant projects.

Respectfully Submitted,
PLANNING DEPARTMENT

Exhibits:

1. Breakdown of Encumbrance and Disbursement Totals for Approved Projects

**CITY COUNCIL APPROVED AGRICULTURAL CONVERSION
MITIGATION FEE PROJECTS:**
Breakdown of Encumbrance and Disbursement Totals for Approved Projects

PROJECT NUMBER	ELIGIBILITY CAT'Y	PROPOSAL NAME	PROPOSAL DESCRIPTION	APPLICANT	FUNDING APPROVED	FUNDING DISBURSED	ENCUMBERED FUNDING AVAILABLE	PROJECT STATUS
AGP 06-02	D	Audubon Nature Center	Interior improvements to Nature Center classroom	Buena Vista Audubon Society	\$15,000	\$15,000	\$0.00	Full funding disbursed. Project implementation underway/near completion.
AGP 06-03	D	BLF Nature Center Improvements	Nature Center replacement and improvements	Batiquitos Lagoon Foundation	\$180,732	\$88,000	\$92,732	Partial funding disbursed. Lease negotiations underway.
AGP 06-04	C & D	Buena Vista Lagoon Boardwalk	Engineering design and environmental studies for a boardwalk	Buena Vista Lagoon Foundation	\$164,000	\$68,000	\$96,000	Partial funding disbursed. Project design in progress.
AGP 06-05	B	Cymbidium Project	Greenhouse, shade structure, and related infrastructure for orchid production	CB Ranch Enterprises	\$316,500	\$310,500	\$6,000	Partial funding disbursed. Project implementation underway/near completion.
AGP 06-06	B	Multi-Use Barn	Barn for off-season equipment storage and seasonal displays and presentations	CB Ranch Enterprises	\$233,000	\$233,000	\$0.00	Full funding disbursed. Building Permit issued 10/20/08.
AGP 06-07	B	Permeable Paving Project	Permanent semi-permeable road surface for Flower Fields circulation	CB Ranch Enterprises	\$297,000	\$297,000	\$0.00	Full funding disbursed. Project complete/implemented.
AGP 06-08	B	Drainage Improvements Project	Permanent drainage system to reduce erosion and soil loss	CB Ranch Enterprises	\$230,000	\$230,000	\$0.00	Full funding disbursed. Project complete/implemented.
AGP 06-09	B	Soil Amendment Project	5-year program of soil amendment to improve soil structure and long-term productivity of Flower Fields	CB Ranch Enterprises	\$159,000	\$39,000	\$120,000	Partial funding disbursed. 2 of 5 composting applications complete/implemented.

AGP 06-10	C	Carlsbad Beach Nourishment	Nourishment of two stretches of beaches in north and south central Carlsbad	City of Carlsbad Beach Preservation Committee	\$1,500,000	\$74,500	\$1,425,500	Partial funding disbursed. Planning activities underway.
AGP 06-12	A	Batiquitos Lagoon Monitoring/ Management Plan	Monitor and develop management plan for lagoon	Batiquitos Lagoon Foundation	\$780,589 ¹	\$23,995	\$756,594	Partial funding disbursed. Data collection and physical monitoring complete. Report preparation underway.
AGP 06-13	C	Agua Hedionda Lagoon Trails	Maintenance and construction of trails around Agua Hedionda Lagoon	Agua Hedionda Lagoon Foundation	\$305,750	\$0.00	\$305,750	No funding disbursed.
AGP 06-15	D	Discovery Center Improvements	Interior and exterior improvements to existing Discovery Center	Agua Hedionda Lagoon Foundation	\$386,000	\$0.00	\$386,000	No funding disbursed.
AGP 06-16	B	La Posada Farmworker Housing	Construction of farmworker/homeless housing at Casa de Guadalupe	Catholic Charities	\$2,000,000 ²	\$0.00	\$2,000,000	No funding disbursed.
				TOTAL	\$6,567,571	\$1,378,995	\$5,188,576	

¹ Entire request encumbered, but approved only portion (\$74,995) at present to allow for data collecting and reporting and maintenance.

² Entire request encumbered, but approved only portion (\$108,500) at present to allow for design work.



**CITY OF CARLSBAD
AGRICULTURAL COVNERSON MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

**Subject: Report to Committee on Awarded Grant AGP 06-10
(Carlsbad Beach Nourishment)**

Meeting Date: November 17, 2008

At the September 2, 2008 Agricultural Conversion Mitigation Fee Committee Meeting, Chairperson Larson indicated that the above-referenced beach sand replenishment project originally recommended by the Committee for City Council approval had been modified at the Council level to fund portions of a region-wide beach nourishment project organized by the San Diego Association of Governments (SANDAG). Council action on this project was inconsistent with the original recommendation by the Committee, which was to fund a Carlsbad "beach-only" beach nourishment project. Chairperson Larson indicated that the Committee would like confirmation that such action is/was sensible and requested a statement of the City's rationale for moving in the direction to fund portions of a region-wide beach nourishment project.

Although staff was unable to sufficiently respond to the Committee's concerns at the September 2, 2008 meeting, appropriate representatives from the City's Engineering Department will be in attendance at the November 17th meeting to present upon the previously requested information.

Respectfully Submitted,
PLANNING DEPARTMENT



**CITY OF CARLSBAD
AGRICULTURAL COVNERSON MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

**Subject: Report to Committee on Awarded Grant AGP 06-12
(Batiquitos Lagoon Monitoring/Management Plan)**

Meeting Date: November 17, 2008

On February 19, 2008 City Council approved Resolution 2008-050 allocating grant funds for four (4) agricultural conversion mitigation projects. Of those four projects awarded with grant funding,—AGP 06-12 (Batiquitos Monitoring/Management)—was awarded with specific project stipulations. Although a total of \$780,589 was encumbered, only \$74,995 was authorized for disbursement “to permit some data collecting and reporting and maintenance as described in the [Batiquitos Lagoon] Foundation's December 17, 2007 letter to the City. Funding for part or all of the remaining encumbered balance may first require Agricultural Conversion Mitigation Fee Committee review and shall require City Council approval within approximately nine months from the date of City Council action as expressed in Resolution 2008-050.” A copy of the approving resolution containing the aforementioned project stipulations is attached to this report as Exhibit 1.

As reported to the Committee at the September 2, 2008 meeting, deferment of funding for the nine-month period took place because it was anticipated that during that time the following objectives would be achieved:

- Identification of the California Department of Fish and Game's (DFG's) stewardship responsibilities and capabilities;
- Assessment of the current health of the lagoon; and,
- Possible identification of any needed actions.

Over the course of this nine-month period, the above objectives have not been achieved. Accordingly, the City is still awaiting submittal of the 10-year monitoring report commissioned as a follow-up to the Batiquitos Lagoon Marine Habitat Enhancement Project, which began in 1996. The function of this report will serve to analyze/assess the health of the lagoon. Without an analysis of lagoon health, the City is neither able to frame discussion with DFG, nor able to identify any needed actions. As such, staff recommends that discussion regarding funding all or part of the remaining encumbered balance be postponed until additional information is obtained.

It is anticipated that staff will obtain additional information through receipt of a draft version of the 10-year monitoring report from the City's consultant, Merkel and Associates, Inc., by the end of January 2009. A draft version of the report will be distributed to the City and the Port of Los Angeles for comments. Within approximately 60 days from distribution, it is anticipated that Merkel and Associates will release the final report incorporating comments from the Port of Los Angeles and the City. It is

further expected that that this report will prompt subsequent conversation between the City and DFG, upon which the Committee may base further discussion regarding this grant award.

Respectfully Submitted,
PLANNING DEPARTMENT

Exhibit 1: Resolution 2008-050

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WHEREAS, on August 2, 2005, the Carlsbad City Council created the

WHEREAS, the principal charge of the Committee is to make recommendations

WHEREAS, on May 16, 2006, the Carlsbad City Council approved the

WHEREAS, the Committee solicited grant proposals and evaluated all proposals

WHEREAS, based upon the Committee's review, which occurred over three

WHEREAS, once agricultural activities in Carlsbad diminish to the point that the

Exhibit 1

1 WHEREAS, subsequent to the Committee's review, staff performed further
2 analysis of the Batiquitos Lagoon Foundation's (BLF) request to develop a Batiquitos Lagoon
3 Management and Monitoring Plan Program (AGP 06-12) and determined it would not be
4 prudent to fund the entire amount requested due to concerns regarding the lagoon stewardship
5 responsibilities of the Department of Fish and Game (DFG) and the lack of substantive data on
6 the lagoon's condition and maintenance needs, which could affect the program proposed by
7 BLF, and
8

9 WHEREAS, based on those concerns, staff recommends partial funding of AGP
10 06-12 at this time per the additional stipulation in Exhibit A regarding the BLF, which would
11 enable the foundation to conduct maintenance activities outside DFG stewardship
12 responsibilities and collect and report on data important to determine the lagoon's condition.

13 NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City
14 of Carlsbad, California, as follows:

15 1. That the above recitations are true and correct.

16 2. That the City Council hereby approves the allocation of grant funds from the
17 Agricultural Conversion Mitigation Fee Fund to the recipients in the amounts shown on the
18 attached "Exhibit A – Funding Recommendations," subject to the stipulations in Exhibit A, and
19 subject to the final signing by both the grant recipient and the Mayor of a letter of agreement
20 approved as to form by the City Attorney itemizing the agreed-upon project milestones and the
21 agreed-upon timing of the release of funds.

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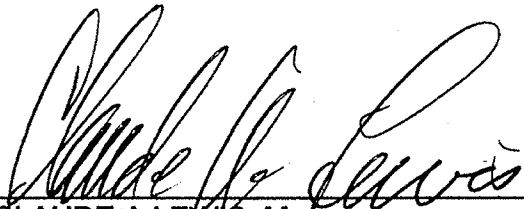
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1 PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council
2 of the Carlsbad on the 19th day of February, 2008, by the following vote to wit:
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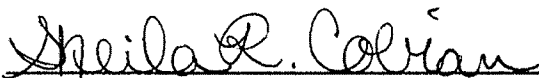
4 AYES: Council Members Lewis, Kulchin, Hall, Packard and Nygaard.

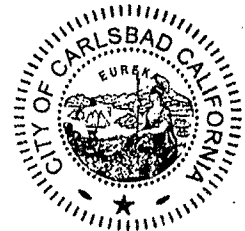
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6 NOES: None.

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8 ABSENT: None.

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12 CLAUDE A LEWIS, Mayor

13 ATTEST:

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16 LORRAINE M. WOOD, City Clerk
17 (SEAL)



AGRICULTURAL CONVERSION MITIGATION FEE COMMITTEE
ADDITIONAL FUNDING RECOMMENDATIONS
EXHIBIT "A"

FUNDING RECOMMENDATIONS

PROPOSAL #	PROPOSAL NAME	PROPOSAL DESCRIPTION	APPLICANT	FUNDING REQUESTED & RECOMMENDED
AGP 06-03	BLF Nature Center Improvements	Nature Center replacement and improvements	Batiquitos Lagoon Foundation	\$180,732
AGP 06-12	Bat Lagoon Mon'g/Mgmt Plan	Monitor and develop lagoon management plan program	Batiquitos Lagoon Foundation	\$780,589*
AGP 06-16	La Posada Farmworker Housing	Construction of new farmworker housing/homeless shelter at La Posada de Guadalupe	Catholic Charities	\$2,000,000*
AGP 06-13	AH Lagoon Trails	Maintenance and construction of trails around Agua Hedionda Lagoon	Agua Hedionda Lagoon Foundation	\$305,750
			TOTAL	\$3,267,071

**Stipulations:*

- *For AGP 06-12 (Batiquitos Lagoon Foundation): Encumber entire request indicated, but at this time fund only \$74,995 to permit some data collecting and reporting and maintenance as described in the Foundation's December 13, 2007, letter to the City. Funding of part or all of the remaining encumbered balance may first require Agricultural Conversion Mitigation Fee Committee review and shall require City Council approval within approximately nine months from the date of City Council action as expressed in Resolution 2008-050.*
- *For AGP 06-16 (Catholic Charities): Encumber entire request indicated, but at this time fund only \$108,500 to allow design work. Funding of part or all of the remaining encumbered balance shall first require Agricultural Conversion Mitigation Fee Committee review and City Council approval. Further, once agricultural activities in Carlsbad diminish to the point that this shelter is no longer needed for farmworkers as determined by the City Council after consultations with the applicant, the farmworker portion of the shelter shall accommodate homeless persons, including families.*



**CITY OF CARLSBAD
AGRICULTURAL COVNERSON MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

Subject: Report to Committee on Awarded Grant AGP 06-16 (La Posada Farmworker Housing)

Meeting Date: November 17, 2008

On February 19, 2008 City Council approved Resolution 2008-050 allocating grant funds for four (4) agricultural conversion mitigation projects. Of those four projects awarded with grant funding—AGP 06-16 (La Posada Farmworker Housing)—was awarded with specific project stipulations. Although a total of \$2,000,000 was encumbered, only \$108,500 was authorized for disbursement to permit project design work. Stipulations added to the grant encumbrance include that, "Funding of part or all of the remaining encumbered balance shall first require Agricultural Conversion Mitigation Fee Committee review and City Council approval."

At the September 2, 2008 meeting a representative of the grantee (Catholic Charities Diocese of San Diego), indicated that although construction of the project may take place with use of the encumbered grant funding, there is no funding allocated (or foreseen to be allocated), which would support operational and maintenance costs for the project. The applicant's representative indicated that within a two-month period Catholic Charities would be prepared to present a modified proposal to the Committee that could be funded with operational costs for the next 20 (twenty) years in addition to meeting the farmworker needs, homeless needs, and state requirements for funding. As of the date of preparation of this agenda report, staff has not obtained a revised/modified proposal from the grantee; however, on November 7, 2008 the City received the attached letter from Catholic Charities Diocese of San Diego once again confirming that they are unable to pursue implementation of their project, "without a source for operational funding" (Exhibit 1). It is staff's understanding that the grantee's representative(s) will be present at the November 17th meeting to elaborate upon the potential feasibility for project implementation.

Respectfully Submitted,
PLANNING DEPARTMENT

Exhibits:

1. Letter from Catholic Charities, dated November 7, 2008

CATHOLIC CHARITIES

Administration

Report to Agricultural Conversion Mitigation Fee Ad Hoc Committee

Proposal Submitted: September 2006
New Construction Farm Worker Housing co-located at La Posada

Funding Awarded: February 2007
\$2,000,000
\$185,000 immediate release for concept/design work

Funding Agreement Received: March 2008

Expenditures to date: \$ 0

RECEIVED

NOV 07 2008

CITY OF CARLSBAD
PLANNING DEPT

At the September 2, 2008 meeting Catholic Charities reported to the committee its concerns related to funding the ongoing operations of the new facility. The agency described the existing funding and that a \$100,000 contribution was made each year by the agency to augment operations. We stated that before we could move forward with the project we must find ongoing funding for operations. Since that September 2nd meeting the economy has taken a significant turn for the worse and has forced the State to cut all EHAP funding effective immediately. The traditional funding we relied upon is now gone – with restoration unlikely and new funding non-existent. We are once again forced to report that we cannot move forward with construction without a source for operational funding. Locally and statewide advocates for affordable housing and homeless housing are meeting to strategize how to impact and change the current lack of funding for operations.

Catholic Charities recommends that the committee take the following three actions:

1. Preserve the Farm Worker Housing funds for future use
2. Urge the City Council to investigate full benefit use of funds: Construction + Operations
3. Establish a cap for construction, with remaining funds from the grant set aside for operations



Sister RayMonda DuVall
Executive Director

November 7, 2008



349 Cedar Street, San Diego, California 92101-3197 • Tel. (619) 231-2828 • Fax (619) 234-2272
Member Agency of United Way • Member Agency of Catholic Charities USA

Exhibit 1



**CITY OF CARLSBAD
AGRICULTURAL CONVERSION MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

**Subject: Report to Committee on Process for Establishing Time
Limits on Disbursement of Approved Grant Awards**

Meeting Date: November 17, 2008

At the September 2, 2008 Agricultural Conversion Mitigation Committee meeting, Committee-member Baker indicated that there should be discussion on a future agenda to determine if there should be time limits applied to grant projects and if so, subsequent discussion on how long the limits should be. In the event the Committee chooses to recommend that City Council establish time limits on future grant proposals that have not yet been reviewed by the City, staff recommends that the Committee discuss the establishment and duration of such time limits on a project-by-project basis as grant proposals/applications are reviewed. Any recommendation to City Council for the approval of future grant proposals may include reasonable time limits that the Committee recommends be applied to each project.

Staff has researched the issue of establishing time limits on projects that have already received grant approval and as such reminds the Committee that of the thirteen (13) projects approved for allocated funding,

- Four (4) projects have received full disbursement of funding for project implementation;
- Six (6) projects have received partial disbursement of funding for project implementation; and,
- Three (3) projects have yet to receive disbursement of funding for project implementation.

In the event the Committee determines that funding for a project that has yet to receive any disbursement should be reprogrammed into the Agricultural Conversion Mitigation Fund, the Committee may take forward a recommendation to City Council for reprogramming of the funds. Given that all agricultural conversion mitigation project grants were approved, "subject to the final signing by both the grant recipient and the Mayor of a letter of agreement," City Council maintains the authority to reprogram the encumbrances for projects that do not have signed letters of agreement. Currently, the City does not have letters of agreement signed with grantees of the following projects:

- AGP 06-13 (Agua Hedionda Lagoon Trails);
- AGP 06-15 (Agua Hedionda Discovery Center Improvements); and,
- AGP 06-16 (La Posada Farmworker Housing).

Respectfully Submitted,
PLANNING DEPARTMENT



**CITY OF CARLSBAD
AGRICULTURAL COVNERSON MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

Subject: Report to Committee on Available Funding and Potential Grant Solicitations

Meeting Date: November 17, 2008

As reported at the September 2, 2008 Agricultural Conversion Mitigation Committee meeting, the estimated unencumbered/available fund balance within the Agricultural Conversion Mitigation Fee account is estimated at no less than **\$701,936**. Given that there have been no additional encumbrances or deposits into this account as a result of additional land being converted to urban uses, it is staff's assessment that this number remains an accurate approximation of the unencumbered fund balance. As stated at the September 2, 2008 Committee meeting, it is additionally recognized that conversion of remainder coastal agricultural lands to urban (non-agricultural) uses has potential to generate an additional \$1 – 1.5 million over time for inclusion in the fund balance. Staff continues to estimate that the unencumbered monies within the Agricultural Conversion Mitigation Fee fund may have potential to increase to approximately \$1.7 – \$2.2 million (excluding added interest income) before implementation of the Agricultural Conversion Mitigation Fee program is exhausted.

For reference purposes, a copy of the agenda report presented at the September 2, 2008 meeting and pertaining to available funding and potential grant solicitations has been attached to this report as Exhibit 1.

Respectfully Submitted,
PLANNING DEPARTMENT

Exhibits:

1. September 2, 2008 Agenda Report on Available Funding and Potential Grant Solicitations



**CITY OF CARLSBAD
AGRICULTURAL CONVERSION MITIGATION FEE
AD HOC CITIZENS' ADVISORY COMMITTEE**

Subject: Report to Committee on Available Funding and Potential Grant Solicitations

Meeting Date: September 2, 2008

Available Funding and Fund Augmentation (Revisited):

As previously reported, the estimated unencumbered/available fund balance within the Agricultural Conversion Mitigation Fee account as of August 18, 2008 is estimated at \$701,936. It is additionally recognized that conversion of remainder coastal agricultural lands to urban (non-agricultural) uses has potential to generate an additional \$1 – 1.5 million for inclusion in the fund balance. Staff estimates that the unencumbered monies within the Agricultural Conversion Mitigation Fee fund may have potential to increase to approximately \$1.7 – \$2.2 million (excluding added interest income) before implementation of the Agricultural Conversion Mitigation Fee program is exhausted.

Pursuit of Grant Solicitation:

Should the Committee desire to pursue solicitation of grant proposals to encumber the remaining \$701,935.59 (or any portion thereof), by recommending Council approval of grant appropriations at this time, staff is available as a support resource to assist in the administration of the grant solicitation and review process. Due to the difference in fund balance currently available compared to funds available for recommendation of grant approval during the Committee's original grant solicitation process in September 2006 (\$6 million), the Committee may additionally desire to revisit procedural concepts such as proposal solicitation strategy and proposal consideration/evaluation criteria. However, if the Committee desires to change the criteria or strategy, such changes may require Council approval, which would likely and significantly delay any solicitation and review of proposals by the Committee.

Fund Reservation for Future Use:

If, however, the Committee desires not to solicit grant applications at this time, it is likely that the fund balance will grow due to interest income and potential charge of mitigation fees on land converting to urban uses, which may provide the committee with opportunity to recommend approval of larger and/or more grant allocations at a future date. Staff additionally notes that if the Committee desires not to proceed with grant proposal solicitation at this time, the Committee does maintain opportunity to revisit the issue at a later date. If the Committee chooses to delay soliciting proposals at this time, the Committee should note the following two items. First, according to the Committee's chartering resolution adopted by City Council, life of the Committee was limited to a four year term, which is scheduled to terminate on August 2, 2009. Pursuant to Resolution 2005-242, the Committee, "shall cease to exist unless on or before that expiration date

the City Council acts by further resolution to renew its term in either the same or an amended state." Second, the chartering Resolution requires the Committee to meet twice each year. Accordingly the Committee should plan to meet again during its fourth year, which is scheduled to conclude on August 2, 2009.

Respectfully Submitted
PLANNING DEPARTMENT